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ABSTRACT

Reports on North Carolina Community College System's performance measures and standards and performance funding process. The twelve performance measures for 2000-2001 are: progress of basic skills students; passing rates for licensure and certification examinations; goal completion of program completers and non-completers; employment status of graduates; performance of college transfer students; passing rates of students in developmental courses; success rate of developmental students in subsequent college-level courses; student satisfaction of program completers and non-completers; curriculum student retention and graduation; employer satisfaction; business/industry satisfaction with services provided; and program enrollment. Provides a summary of the description/definition, methodology and data source, reporting periods/timelines, and standard for each of these measures and standards. The following changes to the performance funding process have been made: each college is required to publish annually performance on the 12 measures electronically and in its printed catalog; a college may carry forward funds based on measures for which it meets the standard or shows significant improvement; a college will be eligible for additional funding, if funds are available, for superior performance; and use of funds has been expanded to include program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses. (VWC)

North Carolina Community College System Performance Measures and Standards and Performance Funding July 10, 2000

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Performance Measures and Standards and Performance Funding

The North Carolina Community College System has utilized numerous processes over the past three decades to ensure public accountability for state monies spent. These processes have included fiscal audits, program audits, institutional effectiveness plans and program review. Beginning with the 1999-2000 fiscal year, a new system of accountability based on 12 performance measures has been implemented and will become the cornerstone of public accountability.

In February 1999, the North Carolina State Board of Community Colleges adopted 12 performance measures for accountability recommended by the Performance Measures and Standards Task Force chaired by Dr. Willard Lewis, president of Isothermal Community College. After working with the measures for one year and receiving feedback from college personnel, Dr. Brenda Rogers submitted to the Policy Committee of the State Board some recommendations for changes in the measures. These recommendations were accepted and approved by the full State Board in May 2000.

The recommendations adopted were:

1. Revise the measure "Curriculum Student Progress and Success" to include students from an entering cohort who either complete the program or who are enrolled either in a curriculum program or continuing education course. If unit record data are made available from UNC-General Administration, the measure would also include transfers to the University System as successful completers. The measure will be renamed "Curriculum Student Completion and Retention," and the standard will be adjusted to 60%.
2. Add to the "Goal Completion" measure the goal completion of non-returning students. This group, identified as those who had neither completed a curriculum program nor were enrolled in the subsequent fall in either curriculum or continuing education courses, will be surveyed to see if they had met their goal for attending college. The data will be reported separately for completers and non-completers. The standard of 90% will apply to both completers and non-completers.
3. Employer satisfaction will be assessed by a centrally administered survey to determine general satisfaction with specific community colleges meeting employer needs for training and job preparation. Satisfaction with customized training programs will also be assessed. To reduce the burden on employers and increase the response rate, the System Office will develop categories of employers and survey one-third each year. The System Office will request funds to contract with a survey research firm to conduct the survey. (Note: For 2000/01, \$75,000.00 from the State Board Reserve Fund has been requested.)

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4. If colleges cannot meet the cell size requirement of ten observations in the most recent year but there were ten or more students reported over the last three years, then the cumulative number of the most recent three years will be reported and used for performance funding purposes.

With these recommendations adopted, the 12 Performance Measures for 2000-2001 are:

1. Progress of basic skills students
2. Passing rates for licensure and certification examinations
3. Goal completion of program completers and non-completers
4. Employment status of graduates
5. Performance of college transfer students
6. Passing rates of students in developmental courses
7. Success rate of developmental students in subsequent college-level courses
8. Student satisfaction of program completers and non-completers
9. Curriculum student retention and graduation
10. Employer satisfaction
11. Business/industry satisfaction with services provided
12. Program enrollment

Performance Funding:

In February 1999 the North Carolina State Board of Community Colleges adopted the recommendations of the Legislative Study Group for the implementation of performance funding. Those recommendations included the identification of 5 required performance measures from the 12 performance measures for accountability and one college identified performance measure from an approved list of the remaining 12 performance measures for accountability. Performance funding was approved for implementation in fiscal year 2001-2002, based upon data reported during 2000-2001.

Responding to feedback received during 1999-2000, System Office staff requested the General Assembly to revise of the provisions related to the performance measures and performance funding. As a result of legislative approval, the following changes to the performance funding process have been made.

1. Each college is required to publish performance on the 12 measures annually in its electronic catalog or on the Internet, and in its printed catalog each time the catalog is reprinted.
2. A college may carry forward funds based on measures for which it meets the standard or shows significant improvement.
3. A college will be eligible for additional funding, if funds are available, for superior performance.
4. Use of funds has been expanded to include program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses.

The full text of the performance budgeting/clarifications can be found in G.S. 115D-31.3 ratified as Session Law 2000-67. (Section 9.7)

Section 9.7 of G.S. 115D-31.3 specifies:

"§ 115D-31.3. Performance budgeting.

"(a) Creation of Accountability Measures and Performance Standards.--The State Board of Community Colleges shall create new accountability measures and performance standards to be used for performance budgeting for the Community College System. ~~The results of a survey may~~ Survey results shall be used as a performance standard only if the survey is statistically valid. The State Board of Community Colleges shall review annually the accountability measures and performance standards to ensure that they are appropriate for use in performance budgeting.

~~(b) Notwithstanding any other provision of law, the State Board shall authorize each institution meeting the new performance standards to carry forward funds remaining in its budget at the end of each fiscal year in an amount not to exceed two percent (2%) of the State funds allocated to the institution for that fiscal year. The funds carried forward shall be used for the purchase of equipment and initial program start-up costs excluding regular faculty salaries. These funds shall not be used for continuing salary increases or for other obligations beyond the fiscal year into which they were carried forward. These funds shall be encumbered within 12 months of the fiscal year into which they were carried forward.~~

~~(c) The five required performance measures are (i) progress of basic skills students, (ii) passing rate for licensure and certification examinations, (iii) goal completion of program completers, (iv) employment status of graduates, and (v) performance of students who transfer to the university system. Colleges may choose one other performance measure from the list contained in the State Board's Phase 4 Funding Formula Study, which was presented to the Joint Legislative Education Oversight Committee. Successful performance on each of the six performance measures shall allow a college to retain and carry forward up to one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations into the next fiscal year.~~

~~(d) Each college shall publish its performance on these six measures in its catalog each year beginning with the 2001 academic year."~~

(e) Mandatory Performance Measures.--The State Board of Community Colleges shall evaluate each college on the following 12 performance standards.

- (1) Progress of basic skills students,
- (2) Passing rate for licensure and certification examinations,
- (3) Goal completion of program completers and noncompleters,
- (4) Employment status of graduates,
- (5) Performance of students who transfer to the university system,
- (6) Passing rates in developmental courses,
- (7) Success rates of developmental students in subsequent college-level courses,
- (8) The level of satisfaction of students who complete programs and those who do not complete programs,
- (9) Curriculum student retention and graduation
- (10) Employer satisfaction with graduates,
- (11) Client satisfaction with customized training, and
- (12) Program enrollment.

(f) Publication of Performance Ratings--Each college shall publish its performance on the 12 measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all 12 measures in its annual Critical Success Factors Report.

(g) Performance Budgeting: Recognition for Successful Performance.--For the purpose of performance budgeting, the State Board of Community Colleges shall evaluate each college on six performance measures. These six shall be the five set out in subdivisions (1) through (5) of subsection (e) of this section and one selected by the college from the remainder set out in subdivisions (6) through (11). For each of these six performance measures on which a college performs successfully or attains the standard of significant improvement, the college may retain and carry forward into the next fiscal year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations.

(h) Performance Budgeting: Recognition of Superior Performance.--Funds not allocated to colleges in accordance with subsection (g) of this section shall be used to reward superior performance. After all State aid budget obligations have been met, the State Board of Community Colleges shall distribute the remainder of these funds equally to colleges that perform successfully on at least five of the six performance measures.

(i) Permissible Uses of Funds.--Funds retained by colleges or distributed to colleges pursuant to this section shall be used for the purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses. These funds shall not be used for continuing salary increases or for other obligations beyond the fiscal year into which they were carried forward. These funds shall be encumbered within 12 months of the fiscal year into which they were carried forward."

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Measures and Standards

1. Progress of Basic Skills Students

Description/definition: Basic skills students include all adult literacy students. The percentage of students who progress is based on three measures: (1) progressing within level, (2) completing the level entered or a predetermined goal, and (3) completing the level entered and advancing to a higher level.

Methodology and data source: The indicator measures the progress of basic skills students through the basic skills program. All of the data on literacy students are entered at the college level. Data on the progression of students through the basic skills programs are collected and analyzed using the Literacy Education Information System (LEIS) at the North Carolina Community College System Office.

Reporting periods/timelines: Data are requested annually on students enrolled in basic skills programs in a community college between the beginning of the summer term and the end of spring semester. Colleges report the status of these students by August 15. The federal report completed by the System Office is due to Department of Education - Division of Adult Education and Literacy on October 1.

Standard: A fixed standard of 75%.

2. Performance of College Transfer Students

Description/definition: College transfer programs provide educational experiences that will enable transfer students to make the transition to a baccalaureate program and perform as well as the students who enroll as first-time freshmen at universities. The purpose of this measure is to compare the performance of community college associate degree students who transfer to public North Carolina universities with students native to the four-year institution.

Methodology and data source: The cohorts consist of college transfer students entering the public universities each fall. One cohort analysis compares the performance of college transfer degree recipients at the end of two semesters to the performance of native juniors. The other cohort analysis compares the performance of college transfer students completing at least 24 hours or more but not completing the degree at a community college to the performance of native sophomores. The two cohorts will be combined for this analysis. There must be at least ten students for a community college to have this measure reported for accountability purposes. Performance data on students who transfer to a four-year public institution are provided by the University of North Carolina General Administration and include only those students who transferred to one of the 16 constituent institutions of the UNC System. No transfer performance

data are currently available at the state level from the private colleges and universities in North Carolina. However, colleges may obtain and submit data from private colleges and/or out-of-state colleges and universities so long as the data are consistent with that provided by the UNC system.

Reporting periods/timelines: The UNC System provides data annually, between June and September. The data are published annually in the Critical Success Factors Report. If colleges collect data from private in-state or out-of-state colleges and universities, those data must be submitted to the Planning and Research Section of the System Office by December 30.

Standard: 84% of transfers will attain an overall GPA of 2.0 or higher after completing one academic year at a four-year institution.

3. Passing Rates for Licensure and Certification

Description/definition: The percentage of first-time test-takers from community colleges passing an examination required for North Carolina licensure or certification prior to practicing the profession. A licensure requirement for an occupation is one that is required by state statute for an individual to work in that occupation. Certification is generally voluntary but may be required by employers or an outside accrediting agency. Purely voluntary examinations will not be reported.

Methodology and data source: The examination pass rates for each college are reported on a program-by-program basis. The pass rate for a particular college program will be calculated by dividing the number of first-time test-takers passing the examination by the number of first-time test-takers sitting for the examination. Data are collected by the Planning and Research section of the North Carolina Community Colleges System Office from agencies issuing the license or certification. The data are collected and analyzed during the fall and reported in the spring. There must be at least ten students taking an examination for the results of the examination to be reported individually.

Reporting periods/timelines: Participating boards and agencies report data to the System Office annually and colleges review the data before publication in the Critical Success Factors Report.

Standard: An aggregate institutional passing rate of 80% for all first-time takers of licensure/certification examinations, plus no passing rate falling below 70% for any single examination.

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4. Passing Rates of Students in Developmental Courses

Description/definition: The developmental course passing rates for all developmental English, mathematics, and reading.

Methodology and data source: The North Carolina Community Colleges System Office has developed a computer program to identify developmental courses, identify students who are enrolled in these courses, and calculate passing rates for these courses. The number and percent of students completing these courses with a grade of "C" or better will be calculated.

Reporting periods/timelines: Annually data from each college will be sent electronically to the System Office and reported in the Critical Success Factors Report.

Standard: 70% passing rate for all developmental courses.

5. Success Rate of Developmental Students in Subsequent College-Level Courses

Description/definition: The performance of developmental students in subsequent college level courses will be compared with the performance of non-developmental students in those courses. Specifically, performance of students in English 111 will be used to assess developmental English; performance in the first college-level mathematics course will be used to assess developmental mathematics; and performance in designated humanities and social science courses after completion of developmental reading will be used to assess developmental reading.

The purpose of this measure is to provide evidence that developmental courses equip students with the skills and knowledge necessary for success in their college studies. Once students have successfully completed the developmental courses, they should be able to pass curriculum courses.

Methodology and data source: A computer program has been developed and is being implemented at the colleges that will identify developmental courses and identify students who are enrolled in these courses. This program will have to be expanded to track cohorts of developmental students and compare performance with non-developmental students.

Reporting periods/timelines: Annually data from each college will be sent electronically to the System Office and reported in the Critical Success Factors Report.

Standard: No statistically significant difference in the performance of developmental students as compared to non-developmental students.

6. Program Enrollment

Description/definition: The annual unduplicated headcount enrollment in a curriculum program.

Methodology and data source: This indicator measures the number of individuals enrolled in a given curriculum program, with enrollment meaning the student was enrolled as of the census date. In cases where a program is offered at various levels (certificate, diploma, associate degree) or at specific concentration levels, the enrollment figures shall be aggregated as if it were one program. The data are available from the colleges' Curriculum Registration File.

Reporting periods/timelines: Curriculum registration data are submitted to the North Carolina Community College System Office by the colleges at the end of each semester.

Standard: The current fixed standard of an average of 10 students over a three-year period is recommended. **However, this measure is not recommended for use in performance funding since it is a minimum standard for program viability.**

7. Student Satisfaction of Program Completers and Non-Completers

Description/definition: This indicator reports the proportion of graduates and early-leavers who indicate that the quality of the college programs and services met or exceeded their expectations.

Methodology and data source: The data are collected by the colleges using a standard set of survey questions. A response rate of 50% is suggested, and a minimum of 15 respondents will be required to report the data at the institutional level. If a 50% response rate is not achieved, a statistically significant sample size will be necessary for the data to be used for performance funding.

Reporting periods/timelines: Colleges will submit data to the Planning and Research Section of the System Office in February of each year.

Standard: 85% of the combined respondents will report being satisfied with quality of the college's programs and services.

8. Goal Completion of Program Completers and Non-Completers

Description/definition: The proportion of graduates of certificate, diploma, and degree programs and the proportion of non-graduates who do not re-enroll who report that their primary goal in attending has been met.

Methodology and data source: The data are collected by the colleges using a standard set of survey questions. A response rate of 50% is suggested, and a minimum of 15 respondents will be required to report the data at the institutional level. If a 50% response rate is not achieved, a statistically significant sample size will be necessary for the data to be used for performance funding.

Reporting periods/timelines: Colleges will submit data to the Planning and Research Section of the System Office in February of each year.

Standard: 90% of program completers and non-completers will report goal completion.

9. Curriculum Student Retention and Graduation

Description/definition: This composite measure consists of:

1. Number completing a curriculum program with a certificate, diploma, or degree.
2. Number who have not completed a program but who are continuing enrollment in either curriculum or occupational extension programs.

This composite indicator will consist of two measures, each reported separately for each college. The sum of the two will be divided by the total curriculum students in the cohort to compute an indicator of curriculum student progress and success.

Methodology and data source: Cohorts will be defined each fall based upon number of students enrolled in degree granting curriculum programs. The cohort will be tracked from fall to fall to determine those who have graduated and those who have continued to be enrolled. This number divided by the initial cohort is the percentage reported.

Reporting periods/timelines: Initial cohorts will be identified each fall. Graduates of programs will be determined using software developed by the System Office. Student enrollment files as of the census date will be used to determine the number from the cohort who are still enrolled in either a curriculum or occupational extension program.

Standard: 60% of the defined cohort will graduate or be retained.

10. Employer Satisfaction

Description/definition: The percentage of a sample of businesses who employ community college students indicating that their expectations have been met. This measure is intended primarily to determine the satisfaction of organizations whose employees have been trained through a community college.

Methodology and data source: A state-level survey, coordinated by the Planning and Research Section of the System Office, will be conducted each year to determine employer satisfaction. Employers will be divided into 3 categories based on historic enrollment of community college students and Standard Industrial Classification (SIC) codes. Each category of employers will be surveyed every 3 years on an alternating basis.

Reporting periods/timelines: The data will be collected in February of each year by the Planning and Research section of the North Carolina Community College System Office.

Standard: 85% of employers report being satisfied with preparation of community college students.

11. Employment Status of Graduates

Description/definition: The proportion of identified community college completers who are employed within one year of last attendance.

Methodology and data sources: With the North Carolina Common Follow-up System (CFS), we are now able to accurately track students' employment status after they leave the colleges. The Common Follow-up System (CFS) is a cooperative venture of the participating state agencies under the auspices of the North Carolina State Occupational Information Coordinating Committee (NC SOICC). The CFS provides a highly efficient and cost effective method for collecting follow-up information for education, employment, and training program participants statewide. The CFS is maintained by the Employment Security Commission (ESC).

Each year the agencies involved in the CFS submit unit record data on participants to the ESC. Among the agencies included in this process are the public high schools, community colleges, and the four-year public universities. Each agency's data are matched against the Unemployment Insurance (UI) files and the other participating agencies' files. A database containing information on employment, employer, quarterly wages, receipt of unemployment benefits, and participation in other agencies' programs is returned to each submitting agency. The database each agency receives is limited to the participants that the agency submits for the data match. This is to say, the database received by community colleges has information only on community college students.

Once the CFS database is received, it is matched against the Curriculum Student Progress Information System (CSPIS) database and the following year curriculum student registration database. This matching is conducted to determine demographic characteristics of the participants, such as students' completion status at the end of the academic year and whether they re-enroll the following year. Students who obtain an associate degree, certificate, or diploma in the year given and do not re-enroll in any of the colleges the following year are defined as "exit completers." Those who do not obtain an associate degree, certificate, or diploma in the year given and do not re-enroll in any of the colleges the following year are considered as "exit non-completers."

Students who have wages in any quarter during the year are considered employed. Those who are found both in registration records and UI records but have no quarterly wages during the year are considered unemployed.

Reporting periods/timelines: The data will be collected, analyzed and reported annually in the CSF Report.

Standard: 90% will be employed. The percentage will be corrected for the average annual unemployment rate in the service area of each college in the following way: compute the difference between the state's average annual unemployment rate and that of the service area and divide by 2. This amount will be deducted from (for colleges with unemployment rates **higher** than the state average) or added to (for colleges with unemployment rates **lower** than the state average) the 90%.

12. Business/Industry Satisfaction with Services Provided

Description/definition: The percentage of a sample of businesses/industries that have received services from a community college indicating that their expectations have been met. This measure is intended primarily to determine the satisfaction of organizations who received services from a community college.

Methodology and data source: A state-level survey, coordinated by the Planning and Research Section of the System Office, will be conducted each year to determine business/industry satisfaction. Businesses/industries will be divided into 3 categories based on historic enrollment of community college students and Standard Industrial Classification (SIC) codes. Each category of businesses/industries will be surveyed every 3 years on an alternating basis.

Reporting periods/timelines: The data will be collected in February of each year by the Planning and Research section of the North Carolina Community College System Office.

Standard: 85% will report being satisfied with the services provided by community colleges.



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